



Agenda Date: 5/8/01  
Agenda Item: 3-D

**STATE OF NEW JERSEY**  
**Board of Public Utilities**

*Two Gateway Center  
Newark, NJ 07102*

CABLE TELEVISION

IN THE MATTER OF THE GLOBAL )  
SETTLEMENT OF VARIOUS FCC FORM )  
FILINGS REQUESTING APPROVAL OF (A) )  
THE MAXIMUM PERMITTED RATES FOR )  
BASIC SERVICE AND (B) THE COSTS OF )  
REGULATED EQUIPMENT AND INSTALL- )  
ATION BY SAMMONS COMMUNICATIONS )  
OF NEW JERSEY, INC., LENFEST ATLANTIC, )  
INC. AND SUBURBAN CABLE TV COMPANY, )  
INC. )

ORDER ADOPTING  
GLOBAL SETTLEMENT

DOCKET NUMBERS:  
CR94060238 ET AL.

(SERVICE LIST ATTACHED)

BY THE BOARD:

On various dates since 1994, Sammons Communications of New Jersey, Inc. ("Sammons"), Lenfest Atlantic, Inc. ("LAI") and Suburban Cable TV Co., Inc. ("Suburban") (collectively "the Companies") each filed certain Federal Communications Commission ("FCC") forms in separate dockets with the Board of Public Utilities ("Board"), which set forth adjustments to basic service rates. The Board is the local franchising authority in New Jersey and is certified to regulate basic service rates pursuant to 47 C.F.R. § 76.900 et seq.

On February 29, 1996, Sammons discontinued all of its cable television operations in New Jersey. Pursuant to the Board's Order of Approval in Docket Number CM95080358, LAI acquired Pleasantville - East (East 1 & 2, Atlantic City/Brigantine, Downbeach), Pleasantville - West and the Vineland systems previously owned by Sammons in southern New Jersey.

Even though some of the above-referenced matters were transmitted and heard at the Office of Administrative Law, due to on-going disputes regarding long-standing complex issues and also because of protracted appeals before the FCC, these dockets are still pending before the Board.

On January 18, 2000, pursuant to the Board's Order of Approval of January 6, 2000, Docket Number CM99110855, LAI and Suburban became wholly-owned indirect subsidiaries of Comcast, which now operates cable television systems in New Jersey through other indirect subsidiaries.

After numerous fact finding discussions, conferences, rate proceedings and data requests, Comcast, the Division of the Ratepayer Advocate ("RPA") and Staff of the Board ("Staff")

(collectively “the Parties”) agreed to a global settlement, which resolves the pertinent issues in the thirty-six docketed matters listed below:

<u>District</u>	<u>FCC Form</u>	<u>Docket Number</u>
Pleasantville – East	Form 1200	CR94060238
	Form 1210	CR95060280
	Forms 1240/1205	CR96080605
Pleasantville – East 1	Form 1240	CR97070481
	Form 1240	CR98070512
	Form 1240	CR99080516
Pleasantville – East 2	Form 1240	CR97070482
	Form 1240	CR98070513
	Form 1240	CR99080517
Pleasantville – Atlantic City/ Brigantine	Form 1240	CR97070479
	Form 1240	CR98070511
	Form 1240	CR99080515
Pleasantville – Downbeach	Form 1240	CR97070480
	Form 1240	CR98070451
	Form 1240	CR99070470
Pleasantville – West	Form 1200	CR94060239
	Form 1210	CR95060279
	Forms 1240/1205	CR96080604
	Form 1240	CR97070483
	Form 1240	CR98070514
	Form 1240	CR99090666
Vineland	Form 1200	CR94060240
	Form 1210	CR95060281
	Forms 1240/1205	CR96080606
	Form 1240	CR97070484
	Form 1240	CR98070453
	Form 1240	CR99070472
Turnersville	Form 1240	CR99090658
Salem	Form 1240	CR99070471
Franklinville/South	Form 1240	CR99090660
Franklinville/North	Form 1240	CR99090659
Lambertville	Form 1240	CR99070474
Hopewell	Form 1240	CR99070473
All Systems	Form 1205	CR98070454
	Form 1205	CR99070475
All LAI/Suburban Acquired Sammons Systems	Form 1205	CR95040156

The settlement provides for: 1) a refund in the amount of approximately \$1.3 million (which includes interest through the actual date of distribution) to all LAI and Suburban subscribers; 2) a basic service tier rate cap through January 31, 2002 and an equipment/installation rate freeze through the same period (approximately 2 years); and 3) \$4.1 million quantification of the basic cap and equipment/installation rate freeze.

The major tenets of the agreement which affects approximately 240,000 subscribers are summarized as follows:

The Companies agree to pay a refund in the amount of approximately \$1.3 million (which includes interest through the actual date of distribution) to all LAI and Suburban subscribers within 60 days of the Board's Order approving the Stipulation of Settlement, cause separately itemized bill credits to be applied to each limited basic tier of service subscriber equally over a period of twelve (12) months (except for the last month which shall be adjusted as necessary). Said credits, which shall total, in the aggregate, \$1.3 million, shall be identified as "BPU Refund".

The Companies' rates for the limited basic tier of service (commonly known as the "B1" tier) shall be capped through January 31, 2002 (the "cap period"). Said rates are maximum permitted rates applicable to their respective systems.

The MPRs with respect to the Vineland, Pleasantville East 2 and Pleasantville West systems reflect reductions from the MPRs applicable to those systems in the Form 1240 filings submitted to the Board on or about July 20, 1999, August 2, 1999 and September 15, 1999, respectively.

Comcast shall lower the tariff rates to the MPR levels with respect to the three (3) systems within 60 days of the Board's Order approving the Stipulation of Settlement.

Comcast shall submit an "informational" Form 1240 within 30 days of the Board's Order approving the Stipulation for each of the twelve affected systems. The "informational" filings will be based upon the FCC Form 1240 filed with the Board on various dates in 1999

During the period in which the limited basic tier of service rate cap is in effect, Comcast shall compute whether any decreases to the basic tariff rates would otherwise be required pursuant to FCC rate regulations by comparing these rates with the FCC Form 1240 "informational" filings. To the extent that the "informational" yields an adjusted MPR which is below the stipulated MPR, the limited basic tier of service rate charged by such system shall be lowered to the adjusted MPR. If the "informational" filing yields an adjusted MPR which is above the stipulated MPR, the stipulated MPR will not change.

The rate cap shall expire on January 31, 2002. Ninety days prior to the expiration of the rate cap, Comcast shall submit a rate filing for each of the systems. Comcast shall not calculate or recover a true-up adjustment in any such system filing during the cap period. The beginning rate (Line A1) for each rate filing will be the stipulated MPR or the adjusted MPR ("informational" Form 1240 filed within 30 days of the Board's Order approving the Stipulation), whichever is lower.

On or about November 1, 2001, Comcast will submit FCC Forms. Comcast will not be permitted to true-up, in the 2002 or a subsequent filing, the difference

between the stipulated or adjusted beginning rate and the rate actually charged to the subscribers (tariff rate) during the rate cap period.

The Companies' rates for equipment and installation charges, FCC Form 1205,

shall be frozen through January 31, 2002.

The Companies and all other Comcast cable systems in New Jersey shall be entitled to market and provide to subscribers that service commonly known as "Cableguard Service" at a monthly rate presently no greater than \$.30 per subscriber. The monthly rate for Cableguard Service shall be subject to prospective adjustments beginning February 1, 2002. Written notice of any increase in the rate for Cableguard Service shall be provided to the OCTV at least thirty (30) days in advance.

The Companies shall withdraw their appeal before the FCC in Docket No. CR98070454.

Sammons shall withdraw its appeals before the FCC in Docket Nos. CR94060238, CR94060239 and CR94060240.

LAI and Suburban also notified their customers of the rate changes in the various filings by way of newspaper announcements informing them of their opportunity to submit written comments to the Board for a period of thirty days. The 1999 Forms 1240/1205 notices appeared in the Courier Post, The Gloucester County Times, Today's Sunbeam, The Times Newspapers, The Press of Atlantic City, The Bridgeton Evening News and The Daily Journal on June 3, 1999, March 16, April 6-7 and May 6, 2000 encompassing all the applicable FCC Forms and rate districts. However, upon review of these and the 1998 notices, while the FCC Form 1205 equipment and installations rate changes were present, the applicable docket numbers were omitted. In addition, the 1995 Form 1205, Docket Number CR95040156, had no newspaper notice to its affected subscribers. On March 1, 2001, a letter was received from the RPA regarding its position in these matters. With respect to the 1998-99 notices, the RPA believes "that the ability of ratepayers to comment on these matters was not irreparably harmed by the omission, and that requiring additional notice at this time would not be in the best interests of the parties to this matter." In addition, regarding the 1995 filing, RPA "finds that since the rates set out in these filings for the affected franchise have been implemented and long superseded several times by subsequent adjustments, the interests of the ratepayers would not be served by requiring notice of such superseded rates at this time. We believe the ability of ratepayers to comment has been sufficiently protected with the notices as properly provided in the subsequent filings, and that requiring notice of such superseded rates would only serve to create confusion at this time." Ibid.

As noted above, on January 6, 2000, in Docket Number CM99110855, the Board issued an Order approving the merger of Lenfest Communications, Inc. and Comcast LCI Holdings, Inc. Part of that Order addressed Lenfest's failure to upgrade certain construction commitments in six municipalities: Swedesboro, Woodstown, Logan, Oldmans, Penns Grove and Franklin. As part of a settlement, Comcast agreed to equalize and cap the basic service rates to \$9.50 for a period of three years (12/1/99 to 11/30/02). With the exception of the Town of Franklin, which had a \$12.75 basic rate, the remaining five towns' basic rate was \$9.50. The Parties agreed, at that time, to a reduction of \$3.35 (25%) in Franklin's basic service rate. However, it has come to the Board's attention that there was a difference of opinion between Comcast and the other parties (Staff and RPA) as to the date of the basic service rate reduction. It appears that Comcast believed that all rate changes would take place coincident with Board action on the Global Settlement. Staff and RPA, on the other hand, believe that the reduction was to have taken place on February 1, 2000 and the rate cap to continue through November 30, 2002. Therefore, the Board plans to revisit this particular issue in a forthcoming proceeding.

On February 27, 2001, the Parties entered into a Stipulation of Settlement, which resolved the above-referenced docketed matters.

After review, the Board FINDS that the Stipulation of Settlement is reasonable, not contrary to the public interest and in accordance with the law. Therefore, the Board HEREBY ADOPTS the Stipulation of Settlement (attached hereto) as its own, incorporating by reference the terms and conditions therein as if fully set forth at length herein.

The Board HEREBY ORDERS Comcast to issue refunds due its subscribers in the above-referenced systems pursuant to the Stipulation of Settlement within sixty (60) days of the date of this Order, and to inform subscribers of the reason for the refunds. Said refunds shall be denominated "BPU Refund" on subscribers' bills.

Comcast, within ten (10) days of the final payment of refunds to subscribers, is FURTHER ORDERED to notify the Board and its Office of Cable Television in writing of the date(s) the refunds were paid, the amounts refunded and certify that the refunds have been completed. The Board HEREBY MODIFIES the provisions of any prior Orders that are inconsistent with the terms of the Stipulation of Settlement to comport with the agreement to the extent that such provisions apply to the above-referenced systems.

DATED: May 9, 2001

BOARD OF PUBLIC UTILITIES  
BY:

(signed)

CAROL J. MURPHY  
ACTING PRESIDENT

(signed)

FREDERICK F. BUTLER  
COMMISSIONER

ATTEST:

(signed)

FRANCES L. SMITH  
SECRETARY

IN THE MATTER OF  
THE GLOBAL SETTLEMENT OF VARIOUS FCC FILINGS,  
REQUESTING THE APPROVAL OF  
(A) THE MAXIMUM PERMITTED RATES FOR BASIC SERVICE AND  
(B) THE COSTS OF REGULATED EQUIPMENT AND INSTALLATIONS  
BY SAMMONS COMMUNICATIONS OF NEW JERSEY, INC.,  
LENFEST ATLANTIC, INC. AND SUBURBAN CABLE TV CO., INC.

DOCKET NUMBERS: CR94060238 ET AL.

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